



Fifteenth Annual Report of the

**ROAD SAFETY TRUST**

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for the year ended 30 June 2004

*Presented to the House of Representatives pursuant to Section 44A of the Public Finance Act 1989*



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## Foreword

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I am pleased to present the Annual Report and audited accounts for the Road Safety Trust for the year ended 30 June 2004.

### ***Achievements***

A total of \$1.7 million was granted to 75 projects in this financial year. This year saw the successful launch of the inaugural Road Safety Innovation Awards held at Parliament. This initiative funded solely by the Trust provided a prime opportunity for people working on road safety projects to be recognised by their peers and the community for their contribution to improving road safety.

Other significant projects funded this year included a successful tour of a play delivering road safety messages aimed at students in the Wellington region; a travel plan project and a Bikewise programme in Waitakere; development of national community resources in support of a multi-agency speed campaign; a Rangatahi programme in Hamilton; further funding for the next Road Safety Innovation Awards; and support for the inaugural Community Road Safety Conference, to name a few.

A major focus for the Trust during the year was to develop and implement a promotional strategy. This included such initiatives as updating its advertisement, application form and guidelines, revitalising the web pages and promoting successful projects. Early signs of the success of some of these initiatives can be seen by the increase in the number of grants funded. Full implementation is yet to be finalised as the review of the Trust, recommended in the recently released Transport Sector Review, has unfortunately seen this work put on hold.

### ***Financial performance***

The Trust is funded from a portion of profits received from the first-time sale of personalised motor vehicle licence plates. It is particularly pleasing to again report that Personalised Plates Limited (PPL), the company contracted to market the plates, has for the fifth year running continued to perform exceptionally, reporting a 12 percent improvement in sales compared with the previous year. This excellent sales effort has resulted in the Trust once again benefiting from receiving higher than anticipated revenue. The Trust continues to maintain a strong capital base.

### ***Board and management***

A new youth representative was appointed to the Trust during this financial year and the Trust was pleased to welcome Yani Johanson to this position. Our sincere thanks are given to the previous youth representative Ginny Wilson for her valuable contribution to the Trust over her time associated with it. There were no other membership changes, with Tony Knight and

David Wright both continuing their terms of tenure. I have greatly enjoyed working with them all over the last year.

The Trust is indebted to the behind-the-scenes work done by the Secretariat and the Trust's support committees. This team, headed by the Director of Land Transport Safety, David Wright, includes: Leonie Corrigan, the Trust Executive Officer; Graham Cooper and Willie Wilson, the Trust's accounting team; Liz Taylor-Read, who chairs the Grants Advisory Committee; and Bill Frith, who chairs the Technical Advisory Committee. Technical advice is also provided to the Trust by the Land Transport Safety Authority (LTSA) education team and regional offices. The Trust thanks all involved for their continued assistance.

***The future***

Sadly the Trust's future is somewhat uncertain because, as noted earlier, the Trust's continued operation is under review by the Secretary for Transport, as recommended in the recently-released Transport Sector Review.

It is my sincere belief that the Trust has been, and can continue to be, a successful and needed agent for the provision of funding for community projects in some form or other. The disbandment of the Trust, it would seem to me, would be a loss to the community and to community accountability, at a time when shared responsibility for achieving key road safety goals is high on the political agenda. I am hopeful that the commitment, energy and effort of all those involved with the Trust over the last 15 years, to improve road safety at the coalface, will not be lost.

It is my view that the Trust has performed a needed and useful role successfully and efficiently, and that the loss of this resource would be a heavy and unnecessary blow to the road safety community.



Suzanne Sinclair  
Chairman

## Management statement

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### 1. Introduction

The Road Safety Trust has pleasure in presenting its annual report for the year 1 July 2003 to 30 June 2004.

When the Trust was formed in 1989 the annual road toll was 761, whereas at the year ending December 2003 the toll stood at 461. Despite this encouraging reduction in the road toll over the 15 years of its operation, the Trust is aware that road trauma is still a major cause of premature death and the second biggest cause of death in young adults. It, therefore, remains committed to funding projects with the potential to deliver road safety benefits targeted to areas where the largest gains can be made.

With the release this year of the government's *Road Safety to 2010* strategy, the Trust has advised applicants that projects must align with the road safety priorities identified in this document. The aim is to ensure projects funded contribute to the road safety goal of achieving no more than 300 deaths and 4,500 hospitalisations by the year 2010.

The Trust believes that its continued role within the national road safety framework can contribute positively to attaining the ambitious goals set out in this strategy. It looks forward with interest to the outcome of the review of the Trust that has been recommended under the Transport Sector Review, and hopes that its value is recognised and that its continuation to benefit road safety in New Zealand will ultimately be endorsed.

### 2. Establishment and membership

The Trust was established in August 1989. It is empowered to receive and invest its portion of the revenue received from the sale of personalised motor vehicle licence plates, and to make grants from those funds to traffic safety projects from time to time. As a Crown Entity, the Trust is required under Section 44 of the Public Finance Act 1989 to forward to the Minister of Transport an annual report, including audited financial statements, that must be laid before the House of Representatives.

The membership of the Trust comprises:

- a chairperson nominated by the Minister of Transport
- the Director of Land Transport Safety ('Director'), or his or her nominee
- a representative of youth nominated by the Ministry of Youth Affairs
- a representative of road users nominated by the New Zealand Automobile Association.

This membership provides a balance of consumer, government and corporate interests. The Minister of Transport appoints the four Trustees of the Road Safety Trust. The term of appointment of the Trustees, other than the Director or his or her nominee, is a period not exceeding three years. This is fixed at the time of appointment, with the provision that any Trustee may be reappointed for any further period of up to three years.

The four Trustees are currently:

Suzanne Sinclair	Chairman
David Wright	Director of Land Transport Safety
Yani Johanson	Representative of youth
Tony Knight	Representative of road users

The appointment of Yani Johanson as a member was the only change to Trustees during this financial year.

Key support staff are:

Leonie Corrigan	Senior Executive Officer
Graham Cooper	Accountant

### **3. Functions**

The Trust has the following functions:

- To provide funds for road safety projects such as:
  - community safety initiatives
  - private sector technological developments with road safety benefits, which are unable to be fully funded by government organisations or from revenue generated by sales
  - research and study awards
  - training, education and overseas travel to attend conferences or undertake study
  - specific road safety projects as referred from time to time by the Minister of Transport
  - any other project which the Trustees consider likely to contribute to the improvement of safety on roads
- To ensure that the Trust's monies are properly invested
- To ensure that proper financial statements are kept in respect of the Trust
- To ensure that annual financial statements are prepared promptly at the end of each financial year
- To ensure the Audit Office audits its annual financial statements.

## 4. Support

The LTSA's Strategy Division provides executive services to the Trust (Leonie Corrigan) and the Corporate Services Division provides financial support services (Graham Cooper and Willie Wilson). Liz Taylor-Read, the LTSA's General Manager Communications and Education, chairs the Grants Advisory Committee, and Bill Frith, the LTSA's Manager Research and Statistics (Strategy Division), chairs the Technical Advisory Committee. These committees provide expert advice to the Trust on community projects and research, respectively. The Trust also receives support from the LTSA's regional offices with the evaluation of grants and accounting for funds allocated against agreed performance targets (refer 5.6).

The Trust has a formal agreement for the provision of support services by the LTSA, by way of a Memorandum of Understanding (MOU). The MOU formalises the already existing relationship between the LTSA and the Trust, and establishes a service-level agreement that clearly identifies and defines the expectations and responsibilities of both agencies.

## 5. Review of operations (July 2003 to June 2004)

### 5.1 Meetings

Meetings to consider applications for funding were held in August 2003, November 2003 and April 2004. The November meeting was held in Hamilton, and the Trustees took the opportunity to meet with some of the regional LTSA staff that work with community groups in the area and to receive an oral report on a restraint project they had previously funded. The Trust also met once during the year to review its promotional direction.

### 5.2 Applications

Advertising of applications for the funding of road safety projects was arranged in metropolitan and provincial daily newspapers. The Trust is listed in the Department of Internal Affairs Funding Information Service, accessible at Community Development Group offices and libraries throughout New Zealand. This year new internet links were established with Personalised Plates Ltd and Community Net. Information about the Trust is also available through the Trust's own internet site, [www.roadsafety.govt.nz](http://www.roadsafety.govt.nz). The Trust has agreed priority areas and target groups, which aim to complement and support the road safety priorities expressed in the *Road Safety to 2010* strategy.

Of the 94 applications received, 75 totalling \$1,660,560.25 were approved for full or partial funding during the 2003/2004 financial year.

The approved grants are scheduled at Annex A (page 16).

### **5.3 Statement of allocation criteria**

The Trust's statement of allocation criteria is as follows:

- Applications must be compatible with the Trust functions.
- Applications must be in accordance with the priorities set out in the *Road Safety to 2010* strategy document.
- There must be no known similar programme operating in largely the same sphere of influence.
- Fully completed application forms and adequate material in support of the application must be provided.
- Evaluation measures for the project must be easily identified, valid and realistic. Standards must be provided as necessary.
- Applicants must be able to assure the Trust that the project will be efficiently and responsibly managed.

### **5.4 Mission and management principles**

The Trust is committed to the following mission and management principles.

#### ***Mission statement***

To administer funds for the benefit of improved road safety in New Zealand.

#### ***Management principles***

- To encourage communities, organisations and individuals to identify and work at road safety initiatives
- To assist people to gain access to resources that will empower and enable them to achieve road safety objectives
- To support justice and equity in the management of the Trust
- To encourage Tangata Whenua and cultural minority groups to become more involved in road safety work
- To respect the culture and heritage of other peoples and to foster co-operative road safety partnerships
- To ensure that the products and services receiving Trust support are relevant to the Trust's objectives
- To be accountable to the public
- To provide on-going resources for New Zealand road safety needs
- To support research in the road safety field.

## 5.5 Code of Ethics

This is the Trust's Code of Ethics.

### ***Ethics***

- Trust members should conduct themselves in a manner consistent with custodial responsibilities. Any trustee exercising power of investment should exercise care, diligence and skill that a prudent person of business would exercise in managing the affairs of others.

### ***Integrity***

- Trust members should be prudent, honest and sincere in their approach to their work.

### ***Objectivity***

- Trust members should be fair, open and impartial, and not allow prejudice or bias to override their objectivity. Trustees and staff should disclose their involvement, if any, in grant applications.

### ***Standards***

- Trust members should maintain a high degree of competence and exercise due care.

### ***Confidentiality***

- The information acquired from applicants should be treated as provided for under the Privacy Act 1993, which emphasises the rights of privacy of individuals. No information should be disclosed without specific authority or a duty of disclosure under the Act.
- Trust members are not obliged to divulge to other members, matters concerning their own organisation, procedures or systems.

### ***Accountability***

- An appropriately qualified professional person should prepare the Trust accounts.
- Audit of accounts is to be done.
- The list of successful applicants should be published as general information.

### ***Obligations***

- Trust members should be aware of their statutory obligations and conduct their affairs in accordance with the provisions of all appropriate legislation.

## 5.6 Contracts

As from July 1995 successful applicants for grants of over \$1000 have been required to sign a contract, clearly detailing their obligations for the accounting of funds allocated against agreed performance targets.

## **5.7 Research**

Recognising that underpinning road safety programmes and administration is robust road safety research, the Trust is committed to funding research projects with a sound likelihood of being translated into reduced road crash rates.

Research projects funded by the Trust are overseen by a Technical Advisory Committee. The Committee is an expert group that considers and arranges the peer review of proposals, approves projects, and monitors their progress. Through the Committee the Trust provides the only source of dedicated road safety research funding. The Committee has to date made 46 research grants totalling \$1.5M.

The Trust's research grants have benefited a range of projects with multiple end-users in such areas as older driver safety, heavy vehicle driver fatigue, and road delineation, to name a few. This research has provided a substantial contribution to our knowledge of these issues, and most of it would not have been able to be undertaken without access to funding from the Trust. The providers of this work have been university-based injury research units and private sector engineering and research organisations. Some major projects have been co-funded with other organisations such as the Health Research Council and ALAC.

Over the years research funding has also been provided to assist with visits and seminars from many overseas experts. This year such funding was granted for seminars on recent road safety developments in Victoria by Professor Brian Fildes, a Professorial Fellow at the Monash University Accident Research Centre, and on human factors and safety issues associated with the design, deployment and evaluation of intelligent vehicle technologies, by Dr Mike Regan, a Senior Research Fellow from the same institution.

## **5.8 Scholarships**

In 1995 the Trust set up a scheme to provide funding for road safety scholarships for postgraduate students, which are tenable at any University in New Zealand. Availability of the scholarships is advertised annually in the New Zealand Vice-Chancellors' Committee Scholarship Handbook and on its website.

These scholarships provide a useful avenue for encouraging students to consider road safety as a possible future career. To date 15 scholarships or equivalent research grants have been awarded to Masters and Doctoral students in psychology, engineering and other disciplines for relevant road safety research work.

Through these scholarships the Trust has made a substantive contribution to capacity building within the road safety research arena.

## 5.9 Community projects

The 75 applications approved for funding this financial year represent a significant increase from previous years. The Trust was pleased to be able to fund such a diverse range of road safety projects from widely varying groups within the community.

Several substantial projects were funded, including a tour of a road safety play in the Wellington Region, the development and production of resources that will assist communities nationwide to deliver speed campaigns, a region-wide 'Safe with Age' programme in Auckland, and a project in Waitakere developing and implementing travel plans. Other projects funded involved a broad mix of community groups and a diverse range of road safety initiatives. Along with the usual support for child restraint schemes and driver licensing assistance programmes, the Trust also supported several projects that targeted the migrant community. It provided additional funding for the continuation of the Road Safety Innovation Award scheme and further assistance for SADD.

Throughout the year reports on many of the previously funded projects were received. Not all the reports were final, and many of the projects remain ongoing. One such project for which the Trust has received a final report was a grant to develop a computer-based novice driver training CD. This project was undertaken by the Traffic and Road Safety Research Group from Waikato University and funding was first approved in November 2000. This project was successfully completed with the CD developed being included in the LTSA/ACC Practice programme that is distributed to thousands of novice drivers each year. Another substantial project finalised this year was the Plunket Safe2Go programme, jointly funded with the ACC. This is a programme to provide nationwide access to correct training in child restraint fitting, which saw 1,000 resource manuals produced and 18 trainers selected and trained to provide technician training nationwide. The project is ongoing, with training support and workshops being provided.

Other projects of note that concluded or made significant progress this year are the inaugural Road Safety Innovation Awards, the replacement of child restraints for Plunket's nationwide child restraint scheme, the work by the North Shore City Council on developing travel plans, and the successful delivery by Age Concern of 99 Safe with Age courses throughout the Auckland Region.

As always, many other smaller projects were satisfactorily completed. The Trust funds such projects in the certainty that, while the benefits may be intangible, they aid in developing a community-based road safety culture.

## **6. Finance**

### **6.1 Revenue and expenditure**

The Financial Statements contain details of revenue and expenditure from the Trust's fifteenth year of operation.

The Trust is funded from the Crown share of the initial sale of every personalised number plate.

Personalised Plates Ltd (PPL) is contracted to market personalised motor vehicle licence plates. Its main activities are:

- Routine sales of personalised plates
- Auctions of high-demand plates.

PPL's marketing and sales results provide the Trust with revenue. Since 1997, when the ownership of PPL changed, the Trust has been entitled to receive the entire Crown share of PPL's earnings. In May 2003, PPL agreed to vary its agreement so that the Trust receives 25 percent from the initial sales of plates. This new revenue stream provided an additional \$139,286 to the Trust. Revenue received from PPL totalled \$1,639,328 for the year.

The Trust earned a total of \$435,183 in interest.

The Trust has achieved a net surplus of \$288,248 for the year ended 30 June 2004. This result was marginally higher than the expected surplus of \$271,048. The main reason for this is the higher income received from Personalised Plates Ltd.

Public Equity increased from \$6.281 million (June 2003) to \$6.570 million, providing a stronger than ever capital base for the Trust.

At approximately \$18,000 over budget, the Trust incurred operating costs of \$129,131 during the year. The additional costs were incurred mainly in two areas, one being the additional costs associated with the work on the Trust's promotional review, and the other, the lead role taken by the Trust in assisting the AA Driver Education Foundation to obtain a robust evaluation of the Students Against Driving Drunk programme.

### **6.2 Funding policy**

The more flexible funding policy adopted in 2000, with all applications for both research and community projects being considered on merit, has continued to operate.

The Trust continues to actively seek projects to fund from any surplus over and above the amount needed to sustain its agreed capital base. Priority is given to projects for which the investment in road safety gains can best be measured.

Much effort was concentrated on the development of a promotional strategy to give the Trust wider exposure during this year. It was hoped that this work would aid the Trust to attract suitable projects to fund; however, this work has been put on hold pending the outcome of the recommendation in the Transport Sector Review.

### **6.3 Investment policy**

The Trust adopted a new investment policy at its November 2001 meeting, which essentially formalised the existing investment arrangements. Under the policy it adopted a conservative approach to exposure, agreeing that the maximum investment limit with any one institution would be no more than 33 percent of the Trust funds, while ensuring that procedures were in place to retain the flexibility to take advantage of the best opportunities being offered. The Trust retained its goal of an investment level of no less than \$4.5M. Throughout the year investments have remained consistently above this level.

### **6.4 Investments**

The Trust's investments have increased by \$142,730 to \$7.134 million. Note 1 to the financial statements details the investment portfolio.

The Trust's investment portfolio is spread over five separate institutions and meets the requirements of the Public Finance Act.

Taking due cognisance of the upcoming review of the Trust any new investments will be made on an appropriate term-deposit basis until the future of the Trust is determined.

### **6.5 Concluding comments**

Throughout its 15 years of operation the Trust has made 721 grants totalling approximately \$13.4 million. This sum represents a significant contribution to the reduction of trauma on New Zealand roads, and the Trust sincerely hopes that the upcoming review of its operation recognises this contribution and affirms the positive and essential role the Trust has developed within the national road safety framework.

A handwritten signature in black ink, appearing to read "David Wright", with a horizontal line underneath the signature.

David Wright  
Director of Land Transport Safety

## Annex A Road Safety Trust Grants approved

Organisation	Project Description	Amount
Buller Safer Community Council	Driver Course for Unlicensed Drivers	\$2,047.00
Migrant Support Services Inc	Driver Licence Programme Co-ordinator	\$20,000.00
Blue Light Ventures Te Awamutu Branch	Driver Licence Resources	\$300.00
Wellington Performing Arts Centre	Tour of road safety play 'Driving You Crazy'	\$55,272.00
NZ Association of Road Safety Co-ordinators	Quarterly 2-day meetings	\$16,000.00
Maataa Waka Ki Wairau Inc.	Maori whanau	\$20,000.00
Te Runanga o Ngai Tamawaharua	To assist learners to study for licences	\$2,756.25
Wainuiomata Primary School Community Walking School Bus Group	Purchase of waterproof ponchos	\$1,058.00
Shakti Migrant Services Trust	Practical driving lessons for migrants & refugees	\$47,100.00
Prisoners Aid & Rehabilitation Society Manawatu Inc	Fieldworker salary, road codes & car seats	\$1,160.00
Tairawhiti REAP Inc	Learner licence programme	\$5,350.00
Palmerston North City Council	Training of cycle club volunteers in traffic management qualifications	\$2,000.00
Kiwanis Club of Drury	Cycle safety event	\$5,990.00
West Coast Road Safety Council	Regional forum on road safety	\$2,000.00
Te Maiwhitia O Ngaitahu Whanau Trust	Learner & restricted licence courses	\$9,940.00
Waipuna Youth & Community Services Trust	Driving licence course	\$600.00
Nelson City Council	Conference attendance	\$1,000.00
Chinese New Settlers Services Trust	Driver licence programme for Asian migrants	\$40,000.00
Nga Kai Mahi O Nga Hau Ewha Ltd	Driver Licence Project	\$4,000.00
Southland Community Broadcasters Charitable Trust	Road Safety Broadcast School Project	\$3,500.00
Hwa An Trust Board	Migrant TV Road Safety Programme	\$15,000.00
Pasefika Education & Employment Training Organisation	Driver Training	\$7,500.00
Taranaki Adult Literacy & English Language Tuition Service Inc.	Driver Licence Theory Courses	\$2,000.00
Disha Ethnic Women's Support Group	Driver Training	\$20,000.00
Kapiti Coast District Council	Defensive Cycling Video	\$3,000.00
Hauora Matauaka Crown Public Health	He Waka Ora Child Restraint Scheme	\$14,950.00
Royal NZ Plunket Society Inc	Child Restraint Resource Material	\$10,000.00
Auckland Regional Council	Walking School Bus Impact Study	\$20,000.00
Waitakere City Council	Waitakere Travel Plan Project	\$93,000.00
Kapiti Jaycee Inc	Fatigue Stops	\$1,700.00

Manukau Youth Resource Service	Driver Licensing Training Programmes	\$15,000.00
Cannon's Creek Opportunity Centre	Driver Licence Training Programme	\$500.00
The Salvation Army - Employment Plus	Driver Training Programmes	\$5,300.00
Empty Roomz - Tony Nogotautama	Music CD Road Safety Resource	\$19,860.00
A E (Sandy) Walker	Thumbs Up Project	\$22,530.00
Manawatu Events Equipment Trust	Event Equipment	\$20,000.00
Literacy Aotearoa (Dunedin) Inc	Driver Licence Theory Training	\$1,800.00
South Canterbury Road Safety Council	Administration Support	\$660.00
Tararua Learning Inc	Purchase of Road Safety Resources	\$320.00
Westmere School - Auckland	Walking School Bus	\$945.00
Gisborne District Council	Community Road Safety Survey	\$2,350.00
AA Driver Education Foundation	SADD	\$75,000.00
LTSA – Communications	Community Resources – Speed	\$219,752.00
Te Runanga O Whaingaroa	Child Restraint Scheme Support	\$11,500.00
Age Concern Auckland Inc	Safe with Age	\$71,140.00
Health Pacifica Doctors Trust	Child Car Seat Scheme	\$20,770.00
Waimakariri Community Alcohol Action Programme	Community Survey	\$8,000.00
Hamilton City Council	Rangatahi Programme	\$20,000.00
Nga Whare Waatea	Child Restraints Training Programme	\$12,265.00
Bus & Coach Association NZ Inc	Driver Training Video	\$12,500.00
Land Transport Safety Authority	Research Projects 2004	\$200,000.00
South Canterbury Road Safety Trust	Youth Art Competition	\$3,000.00
South Canterbury Road Safety Trust	Child Restraint Awareness Campaign	\$5,500.00
Tour of the Bay Inc.	Safe Cycle Promotion	\$5,000.00
NZ Association of Road Safety Co-ordinators	Quarterly One Day Meetings	\$16,000.00
Kaikoura District Road Safety Subcommittee	Speed Project	\$4,000.00
Ramblers Cycling Club	Traffic Control Education	\$9,500.00
Royal NZ Plunket Society Inc	Safety Belt Demonstration Seat	\$22,518.00
Royal NZ Plunket Society Inc	Volunteer Professional Development	\$14,023.00
Maori Women's Welfare League – Otautahi Branch	Child Restraint Car Seat Programme	\$20,000.00
Waitakere City Council	Waitakere Bikewise Project	\$69,200.00
Maori Women's Welfare League – Otautahi Branch	Waimakariri – Child Restraint Car Seat Programme	\$9,504.00
Road Safety Innovation Awards	Awards Project 2004	\$131,565.00
Te Runanga O Raukawa Inc	Purchase of Car Seats	\$4,000.00
Northland Road Safety Association Inc	Road Safety Promotional Vehicle	\$40,000.00

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NZ Road Transport & Logistics Industry Training Organisation	Total Mobility Training Package	\$35,000.00
Cancer Society of NZ Wellington Division Inc	Safe Driving for Volunteer Drivers	\$3,000.00
AA Driver Education Foundation	National Driver Education Conference 2004	\$30,000.00
Southland Adult Learning Programme	Adult Learner Licence Programme	\$1,740.00
Kapiti Jaycee Inc	Fatigue Stops	\$2,025.00
Tauranga District Council	Omanu School - Walking School Bus	\$970.00
New Plymouth Safer Community Council	Drink Safe 4 Youth Project	\$12,900.00
Wellington Regional Cycle Forum	Bikenews	\$20,000.00
Eastbourne Youth Worker Trust	Car & Driving Safety for Youth	\$2,700.00
Auckland City Council	Inaugural Community Road Safety Conference	\$31,000.00
<b>TOTAL</b>		<b>\$1,660,560.25</b>

## **Financial statements**

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## Road Safety Trust Statement of Responsibility

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In accordance with Section 42 of the Public Finance Act 1989, the Trustees have responsibility for the preparation of these financial statements and the judgements used herein.

An internal management control system has been put in place to provide reasonable assurance as to the integrity and reliability of the financial reports.

The financial statements fairly reflect the financial position and operations of the Trust for the year ended 30 June 2004.



S Sinclair

*Chairperson*

28 October 2004



G J Cooper

*Accountant*

28 October 2004

## **Statement of Accounting Policies**

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### **Reporting entity**

These are the financial statements of the Road Safety Trust (the 'Trust'), which is a Crown Entity under the Public Finance Act 1989.

### **Statutory base**

The financial statements of the Trust have been prepared pursuant to section 41 of the Public Finance Act 1989.

### **Measurement base**

The measurement base adopted in the preparation of these financial statements is that of historical cost.

### **Accounting policies**

#### **A. Budget figures**

The budget figures are those approved by the Trustees of the Trust, at the Trust's meeting in August 2003.

The budget figures have been prepared in accordance with generally accepted accounting practice, and are consistent with the accounting policies adopted by the Trust for the preparation of the financial statements.

#### **B. Revenue**

The Trust is funded from personalised plate sales and interest from investments. Such revenue is recognised when earned and is reported in the financial period to which it relates.

#### **C. Expenses**

Expenses are recognised in the period to which they relate.

#### **D. Grants**

Grants are recognised at the time they are approved by the Trust. Any grants that are rescinded are written back once the decision to rescind has been passed.

#### **E. Financial instruments**

The Trust is party to financial instruments as part of its everyday operations. These financial instruments include bank balances and investments, accounts receivable and payable. All financial instruments are reported in the statement of financial position and

all revenues and expenditures in relation to financial instruments are recognised in the statement of financial performance.

**F. Investments**

Investments are stated at cost, adjusted for the amortisation of any premium or discounts.

**G. Accounts receivable**

Debtors and receivables are stated at net realisable value.

**H. Taxation**

*Income tax*

Crown Entities are exempt from income tax under the provisions of the Income Tax Act 1994 and therefore no charge for income tax has been provided for.

*Goods and services tax*

The financial statements are prepared on a GST-exclusive basis.

**I. Public equity**

This is the Crown's net investment in the Trust.

**J. Statement of cash flows**

Cash means cash balances on hand, held in bank accounts and deposits with trading banks. Operating activities include cash received from all income sources of the Trust and record the cash payments made for the supply of goods and services. Investing activities are those activities relating to the acquisition and disposal of non-current assets.

**K. Commitments**

Future expenses to be incurred on contracts that have been entered into, but not yet completed at balance date, are disclosed as commitments to the extent that there are equally unperformed obligations.

**L. Contingent liabilities**

Contingent liabilities are disclosed at the point at which the contingency is evident.

**Changes in accounting policies**

There were no changes to accounting policies since the date of the last audited financial statements.

## Road Safety Trust Statement of Financial Performance

For the year ended 30 June 2004

Actual 30-Jun-03 \$		Notes	Actual 30-Jun-04 \$	Budget 30-Jun-04 \$
<b>INCOME</b>				
1,462,497	Personalised plates		1,639,328	1,418,000
424,519	Interest received	2	435,183	464,267
<u>1,887,016</u>	<b>TOTAL INCOME</b>		<u>2,074,511</u>	<u>1,882,267</u>
<b>EXPENDITURE</b>				
1,913	Printing		420	1,920
5	Bank charges		82	5
6,740	Trustees' fees	7	7,300	6,180
3,800	Trustees' expenses		5,088	4,800
3,713	Audit fees		3,713	3,713
14,484	Advertising		14,109	14,490
80,000	Authority support		80,000	80,000
1,394	Miscellaneous		18,419	111
<u>112,049</u>	<b>TOTAL EXPENDITURE</b>		<u>129,131</u>	<u>111,219</u>
1,032,215	<b>GRANTS</b>	3	1,657,132	1,500,000
<u>1,144,264</u>	<b>TOTAL EXPENDITURE INCLUDING GRANTS</b>		<u>1,786,263</u>	<u>1,611,219</u>
<u><u>742,752</u></u>	<b>NET SURPLUS</b>		<u><u>288,248</u></u>	<u><u>271,048</u></u>

The accompanying accounting policies and notes form part of these financial statements.

**Road Safety Trust  
Statement of Movements in Public Equity**

For the year ended 30 June 2004

Actual 30-Jun-03 \$	Notes	Actual 30-Jun-04 \$	Budget 30-Jun-04 \$
5,538,527	<b>PUBLIC EQUITY AS AT 1 JULY 2003</b>	6,281,279	6,281,279
742,752	Net operating surplus	288,248	271,048
742,752	TOTAL RECOGNISED REVENUES AND EXPENSES	288,248	271,048
6,281,279	<b>PUBLIC EQUITY AS AT 30 JUNE 2004</b>	6,569,527	6,552,327

The accompanying accounting policies and notes form part of these financial statements.

## Road Safety Trust Statement of Financial Position

As at 30 June 2004

Actual 30-Jun-03 \$		Notes	Actual 30-Jun-04 \$	Budget 30-Jun-04 \$
<b>PUBLIC EQUITY</b>				
6,281,279	Public equity		6,569,527	6,552,327
<u>6,281,279</u>	<b>TOTAL PUBLIC EQUITY</b>		<u>6,569,527</u>	<u>6,552,327</u>
<b>CURRENT ASSETS</b>				
56,401	Bank		27,354	10,000
70,025	Interest accrued	1	63,966	103,636
33,333	Accounts receivable		33,333	33,333
8,672	GST receivable		58,036	20,000
2,752,149	Investments	1	2,941,490	1,523,713
<u>2,920,580</u>	<b>TOTAL CURRENT ASSETS</b>		<u>3,124,179</u>	<u>1,690,682</u>
<b>NON-CURRENT ASSETS</b>				
4,238,999	Long term investments	1	4,192,388	5,385,358
<u>7,159,579</u>	<b>TOTAL ASSETS</b>		<u>7,316,567</u>	<u>7,076,040</u>
<b>CURRENT LIABILITIES</b>				
878,300	Accounts payable	4	747,040	523,713
<u>878,300</u>	<b>TOTAL CURRENT LIABILITIES</b>		<u>747,040</u>	<u>523,713</u>
<u>6,281,279</u>	<b>NET ASSETS</b>		<u>6,569,527</u>	<u>6,552,327</u>



S Sinclair  
Chairperson



G J Cooper  
Accountant

The accompanying accounting policies and notes form part of these financial statements.

## Road Safety Trust Statement of Cash Flows

For the year ended 30 June 2004

Actual 30-Jun-03 \$	Notes	Actual 30-Jun-04 \$	Budget 30-Jun-04 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
1,462,497	Personalised plates	1,639,328	1,418,000
465,569	Interest	487,853	430,656
18,308	Net GST	(49,363)	(11,328)
<u>1,946,374</u>		<u>2,077,818</u>	<u>1,837,328</u>
<b>Cash was applied to:</b>			
105,554	Payments to suppliers	121,364	105,088
6,740	Payments to Trust members	12,388	10,980
1,015,358	Grants	1,783,771	1,849,738
<u>1,127,652</u>		<u>1,917,523</u>	<u>1,965,806</u>
<u>818,722</u>	<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>160,295</u>	<u>(128,478)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
6,425,771	Investments	9,541,649	82,077
<u>6,425,771</u>		<u>9,541,649</u>	<u>82,077</u>
<b>Cash was applied to:</b>			
7,198,553	Investments	9,730,991	0
<u>7,198,553</u>		<u>9,730,991</u>	<u>0</u>
<u>(772,782)</u>	<b>NET CASH FLOWS FROM INVESTMENT ACTIVITIES</b>	<u>(189,342)</u>	<u>82,077</u>
<u>45,940</u>	<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<u>(29,047)</u>	<u>(46,401)</u>
10,461	OPENING BANK BALANCE	56,401	56,401
<u>56,401</u>	<b>CLOSING BANK BALANCE</b>	<u>27,354</u>	<u>10,000</u>

The accompanying accounting policies and notes form part of these financial statements.

## Road Safety Trust

### Reconciliation of net surplus to net cash flows from operating activities

For the year ended 30 June 2004

Actual 30-Jun-03 \$	Notes	Actual 30-Jun-04 \$	Budget 30-Jun-04 \$
742,752	Net surplus	288,248	271,048
	<b>Add non-cash items</b>		
19,762	Amortisation of investments	46,611	0
19,762	<b>TOTAL NON-CASH ITEMS</b>	46,611	0
	<b>Add/(less) movement in working capital items:</b>		
0	(Increase)/decrease in accounts receivable	0	0
16,612	Increase/(decrease) in accounts payable	(131,260)	(354,587)
21,288	(Increase)/decrease in interest receivable	6,059	(33,611)
18,308	(Increase)/decrease in net GST	(49,363)	(11,328)
56,208	<b>WORKING CAPITAL MOVEMENTS – NET</b>	(174,564)	(399,526)
818,722	<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	160,295	(128,478)

## Road Safety Trust

### Statement of Commitments

As at 30 June 2004

The Trust has no commitments at 30 June 2004 (2002/2003 nil).

## Statement of Contingent Liabilities

As at 30 June 2004

The Trust has no contingent liabilities at 30 June 2004 (2002/2003 nil).

The accompanying accounting policies and notes form part of these financial statements.

## Road Safety Trust notes

### NOTE 1 - INVESTMENTS

#### Road Safety Trust investments held at 30 June 2003

##### Current investments

Type of investment	Date invested	Interest rate	Date matured	Current investments	Interest accrued
				\$	\$
ANZ On-call Account	30-Jun-03	5.00%	On call	106,998	0
ANZ Term Deposit	26-May-03	5.27%	25-Aug-03	1,645,000	8,550
ASB RCD	3-Jul-00	7.45%	30-Jun-04	1,000,151	0
<b>Total</b>				<b>2,752,149</b>	<b>8,550</b>

##### Long-term investments

Type of investment	Date invested	Coupon rate	Date matured	Current investments	Interest accrued
				\$	\$
BNZ Bond <sup>(1)</sup>	22-Feb-01	7.50%	15-Sep-05	1,242,365	26,384
National Bank Bond <sup>(2)</sup>	28-Mar-02	6.87%	18-Apr-11	1,579,730	21,984
Government Bond <sup>(3)</sup>	27-May-03	8.00%	15-Nov-06	1,416,904	13,107
<b>Total</b>				<b>4,238,999</b>	<b>61,475</b>

**Total investments** **6,991,148** **70,025**

#### Road Safety Trust investments held at 30 June 2004

##### Current investments

Type of investment	Date invested	Interest rate	Date matured	Current investments	Interest accrued
				\$	\$
ANZ On-call Account	30-Jun-04	5.50%	On-call	504,240	0
ANZ Term Deposit	21-Jun-04	6.03%	20-Aug-04	1,400,000	2,313
ASB Term Deposit	30-Jun-04	6.29%	30-Nov-04	1,037,250	178
<b>Total</b>				<b>2,941,490</b>	<b>2,491</b>

##### Long-term investments

Type of investment	Date invested	Coupon rate	Date matured	Current investments	Interest accrued
				\$	\$
BNZ Bond <sup>(1)</sup>	22-Feb-01	7.50%	15-Sep-05	1,223,175	26,384
National Bank Bond <sup>(2)</sup>	28-Mar-02	6.87%	18-Apr-11	1,586,982	21,984
Government Bond <sup>(3)</sup>	27-May-03	8.00%	15-Nov-06	1,382,231	13,107
<b>Total</b>				<b>4,192,388</b>	<b>61,475</b>

**Total investments** **7,133,878** **63,966**

The market values of our publicly traded investments as at 30 June 2004 are:

	Face value	Market rate	Market value
Note <sup>(1)</sup>	\$1,200,000	6.50%	\$1,239,735
Note <sup>(2)</sup>	\$1,600,000	6.76%	\$1,631,175
Note <sup>(3)</sup>	\$1,300,000	6.01%	\$1,369,328

**NOTE 2 - INTEREST RECEIVED**

	Actual 30-Jun-04 \$	Actual 30-Jun-03 \$
Interest during the year	481,794	444,281
Less amortisation of investments	(46,611)	(19,762)
<b>Net interest received</b>	<u>435,183</u>	<u>424,519</u>

**NOTE 3 - GRANTS**

	Actual 30-Jun-04 \$	Actual 30-Jun-03 \$
Grants approved during the year	1,660,561	1,286,258
Less Grants rescinded	(3,429)	(254,043)
<b>Net Grants for the year</b>	<u>1,657,132</u>	<u>1,032,215</u>

**NOTE 4 - ACCOUNTS PAYABLE**

	Actual 30-Jun-04 \$	Actual 30-Jun-03 \$
Grants approved before 30 June 2004 but unpaid	723,099	849,738
Trade Creditors	23,941	28,562
<b>Total</b>	<u>747,040</u>	<u>878,300</u>

**NOTE 5 - FINANCIAL INSTRUMENTS**

The Trust is party to financial instrument arrangements as part of its everyday operations. These financial instruments include instruments such as bank balances, accounts receivable and accounts payable.

**Credit risk**

Credit risk is the risk that a third party will default on its obligations to the Trust, causing the Trust to incur a loss.

The Trust has a minimal credit risk in its holdings of various financial instruments. These instruments include cash, bank deposits, and accounts receivable.

The Trust places its investments with institutions that have a high credit rating. It also reduces its exposure to risk by limiting the amount that can be invested in any one institution. The Trust believes that these policies reduce the risk of any loss which could arise from its investment activities. The Trust does not require any collateral or security to support financial instruments.

There is no significant concentration of credit risk.

**Interest risk**

The Trust is primarily a short-term investor and as such carries any interest rate risk itself.

**Fair value**

The fair value of corporate bond investments is based on current market interest rates for investments of similar terms of maturities. These are disclosed under Note 1.

The fair value of other financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

**NOTE 6 - RELATED PARTY TRANSACTIONS**

The Trust undertakes transactions with other government departments and Crown entities. These transactions are carried out on an "arms-length" basis and it is considered that they do not fall within the intended scope of the related party disclosure.

The membership of the Trust includes Mr David Wright, Director of Land Transport Safety. The Trust provides funding to the Land Transport Safety Authority for the provision of administrative support, which totalled \$80,000 for the year ended 30 June 2004 (2002/2003 \$80,000).

A portion of the Trust's resources is used to support road safety research, which is overseen by a Technical Advisory Committee chaired by a Land Transport Safety Authority Manager. Funding for this research is covered by a memorandum of understanding between the Trust and the Land Transport Safety Authority. The Trust approved funding of \$200,000 for the Technical Advisory Committee during the year ended 30 June 2004 (2002/2003 \$200,000).

The Trust agreed to grant \$219,752 for the development of a documentary that aims to make speeding socially unacceptable. This project is being managed by the Land Transport Safety Authority, in partnership with the New Zealand Police and the Accident Compensation Corporation.

The Trust agreed to support the Road Safety Innovation Awards with a \$131,565 grant. These awards are a joint initiative involving the Land Transport Safety Authority, Accident Compensation Corporation and the New Zealand Police. Implementation of the awards is being project managed by the Land Transport Safety Authority.

Mr David Wright is also a member of the AA Driver Education Foundation, and Mr Tony Knight was a member of the Foundation until 2002. During the year, the AA Driver Education Foundation received funding from the Trust of \$75,000 to evaluate the effectiveness of the Students Against Driving Drunk (SADD) programme, and \$30,000 to support the National Driver Education Conference.

**NOTE 7 - TRUSTEES' FEES**

	Actual 30-Jun-04 \$	Actual 30-Jun-03 \$
The Trustees earned the following fees during the year:		
S Sinclair (Chair)	2,800	2,240
R Gilroy	0	500
T Knight	500	1,500
G Wilson	2,000	1,000
D Wright	2,000	1,500
<b>Total</b>	<u>7,300</u>	<u>6,740</u>

**NOTE 8 - POST BALANCE DATE EVENTS**

Subsequent to year end, the Transport Sector Review Team presented its recommendations to the Government. One of the recommendations related to the Trust's continued operations. No decision has been made to date. It is anticipated that a review of the Trust's operations will be undertaken during the 2004/05 financial year.



**AUDIT REPORT**  
**TO THE READERS OF THE ROAD SAFETY TRUST'S**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2004**

The Auditor-General is the auditor of the Road Safety Trust (the 'Trust'). The Auditor-General has appointed me, Ajay Sharma, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Trust, on his behalf, for the year ended 30 June 2004.

**Unqualified opinion**

In our opinion the financial statements of the Trust on pages 21 to 30:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
  - the Trust's financial position as at 30 June 2004 and
  - the results of its operations and cash flows for the year ended on that date.

The audit was completed on 28 October 2004, and is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Trustees and the Auditor, and explain our independence.

**Basis of opinion**

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed our audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in the opinion.

Our audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Trustees;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support the opinion above.

### **Responsibilities of the Trustees and the Auditor**

The Trustees are responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the Trust as at 30 June 2004. They must also fairly reflect the results of its operations and cash flows for the year ended on that date. The Trustees' responsibilities arise from the Public Finance Act 1989.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 43(1) of the Public Finance Act 1989.

### **Independence**

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit, we have no relationship with or interests in the Trust.



Ajay Sharma  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand

**Matters relating to the electronic presentation of the audited financial statements**

This audit report relates to the financial statements of the Road Safety Trust for the year ended 30 June 2004 included on the Road Safety Trust's website. The Trustees are responsible for the maintenance and integrity of the Road Safety Trust's website. We have not been engaged to report on the integrity of the Road Safety Trust's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

We have not been engaged to report on any other electronic versions of the Road Safety Trust's financial statements, and accept no responsibility for any changes that may have occurred to electronic versions of the financial statements published on other websites and/or published by other electronic means.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 28 October 2004 to confirm the information included in the audited financial statements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.